

Minutes of the Regular Business Meeting of the
Board of Mayor and Aldermen of the City of Kingsport, Tennessee
Tuesday, January 10, 2012, 7:00 PM
Large Court Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor Dennis R. Phillips, Presiding
Alderman Valerie Joh
Alderman Benjamin K. Mallicote
Alderman Michael McIntire

Vice Mayor Tom C. Parham
Alderman Tom Segelhorst
Alderman Jantry Shupe

City Administration

John G. Campbell, City Manager
J. Michael Billingsley, City Attorney
James H. Demming, City Recorder

- I. **CALL TO ORDER:** 7:00 p.m., by Mayor Dennis R. Phillips.
- II.A. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Ms. Chelsea Holmes.
- II.B. **INVOCATION:** By Jack Weikel, Associate Minister – First Broad Street UMC.
- III. **ROLL CALL:** By City Recorder Jim Demming.
- IV. **RECOGNITIONS AND PRESENTATIONS.** None.
- V. **APPROVAL OF MINUTES.**

Motion/Second: Parham/McIntire, to approve minutes for the following meetings:

- A. December 19, 2011 Regular Work Session
- B. December 20, 2011 Regular Business Meeting

Approved: All present voting "aye."

VI. **COMMUNITY INTEREST ITEMS.**

AA. **PUBLIC HEARINGS.**

1. **Public Hearing and Consideration of an Ordinance to Amend Zoning of Parcel 098.01 on Tax Map 078 Located along Airport Parkway and Jericho Drive from TA Zoning to B-3 Zoning (AF: 4-2012).** City Planner Ken Weems provided information on this item, stating the purpose was to allow a truck dealership to relocate to this property. He further noted that water and sewer were already available and this change is in line with the 2030 Land Use Plan. Alderman Segelhorst asked about the comparability of zoning from the county to the city. Mr. Weems replied they are very similar, noting some differences in the setbacks.

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PUBLIC COMMENT ON ITEM VI.AA.1. None.

Motion/Second: McIntire/Shupe, to pass:

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY ALONG AIRPORT PARKWAY AND JERICHO DRIVE FROM TA, TOURIST ACCOMMODATION DISTRICT TO B-3, GENERAL BUSINESS DISTRICT IN THE 7TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

2. Public Hearing and Consideration of Ordinances to Annex/Amend Zoning of the Kendrick Creek Part B Annexation and Consideration of a Resolution Adopting the Plan of Services (AF: 1-2012). City Planner Ken Weems presented this item, noting it was at the request of the property owner. He also pointed out this property was part of the Border Region

PUBLIC COMMENT ON ITEM VI.AA.2. None.

Motion/Second: McIntire/Parham, to pass:

AN ORDINANCE TO ANNEX THAT CERTAIN TERRITORY ADJOINING THE PRESENT CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, EMBRACING THAT CERTAIN PART OF THE 14TH CIVIL DISTRICT OF SULLIVAN COUNTY, TENNESSEE, AND KNOWN AS THE KENDRICK CREEK PART B ANNEXATION, AS HEREINAFTER DESCRIBED; TO INCORPORATE THE SAME WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, TENNESSEE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

Motion/Second: Joh/McIntire, to pass:

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG KENDRICK CREEK ROAD AND SUMMERVILLE ROAD TO A-1, AGRICULTURAL DISTRICT IN THE 14TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

Motion/Second: Parham/McIntire, to pass:

Resolution No. 2012-126, A RESOLUTION ADOPTING A PLAN OF SERVICES FOR THE KENDRICK CREEK PART B ANNEXATION OF THE CITY OF KINGSPORT, TENNESSEE

Passed: All present voting "aye."

A. PUBLIC COMMENT. Mayor Phillips invited citizens in attendance to speak about any of the remaining agenda items. There being no one coming forward to speak, the Mayor closed the public comment segment.

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At this time, Alderman Mallicote presented information on the recently submitted audit, noting the City once again received a clean unqualified opinion which basically means that our finances are accurately represented. He further noted this is the third year the city has done its own statements and the eleventh year to receive a certificate of excellence in reporting. Mr. Mallicote stated there were only two real issues. One, being that we barely went over the maximum percentage of water loss allowed by the state, noting Public Works Director Ryan McReynolds explained these numbers in greater detail at the work session last night. The second issue was pointed out after the Quebecor property was sold, noting that appraisals will be done anytime property is sold from now on. City Recorder Demming thanked the Board for their continued support and noted that it was not just the Finance Department that the auditors look at, but all departments in the city. Mr. Demming further noted a copy of the audit report would be available on the City's website, at the Library and in the City Clerk's office.

B. BUSINESS MATTERS REQUIRING FIRST READING.

1. Consideration of an Ordinance to Amend the General Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2011 (AF: 13-2012). City Manager Campbell gave details on this item, noting that this sets up the different accounts. Alderman McIntire stated he wished we hadn't sold bonds for quite so much money, but overall he would support it.

Motion/Second: Joh/Parham, to pass:

AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND AND THE WATER AND SEWER FUND BUDGETS BY APPROPRIATING GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2011; FOR THE FISCAL YEAR ENDING JUNE 30, 2012; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION. None.

D. OTHER BUSINESS.

1. Consideration of a Resolution Authorizing the Mayor to Execute All Documents Necessary and Proper to Apply for and Receive Arts Project Support Grant from the Tennessee Arts Commission (AF: 8-2012). City Manager Campbell provided information on this item, noting this supports the sculpture walk and the match was in the budget.

Motion/Second: Joh/Segelhorst, to pass:

Resolution No. 2012-117, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE AN ARTS PROJECT SUPPORT GRANT FROM THE TENNESSEE ARTS COMMISSION

Passed: All present voting "aye."

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2. Consideration of a Resolution Authorizing the Mayor to Sign All Necessary Documents and Execute an Agreement with BB&T-KDC Insurance Services, Inc., for the City's Property Insurance (AF: 3-2012). City Manager Campbell gave details on this item, stating the City is switching to another carrier for \$19,000 in savings. He further noted this policy included the school system.

Motion/Second: Shupe/McIntire, to pass:

Resolution No. 2012-118, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH BB&T-KDC INSURANCE SERVICES, INC. FOR CITY OF KINGSPORT PROPERTY INSURANCE AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

3. Consideration of a Resolution Authorizing the Mayor to Sign All Necessary Documents to Renew Worker's Compensation Reinsurance Coverage through Safety National Insurance (AF: 7-2012). City Manager Campbell gave details on this item, noting a 9.7% increase due to expected increases in claims throughout the state. Alderman Segelhorst pointed out that the best way to avoid paying is to keep people from getting hurt at work.

Motion/Second: Segelhorst/McIntire, to pass:

Resolution No. 2012-119, A RESOLUTION APPROVING THE RENEWAL WITH SAFETY NATIONAL INSURANCE CORPORATION FOR WORKERS' COMPENSATION REINSURANCE AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

4. Consideration of a Resolution Authorizing the Execution of an Agreement with Frontier Health for Counseling Services for Kingsport Elementary Schools and Authorizing the Mayor to Sign All Applicable Documents (AF: 16-2012). City Attorney Billingsley provided information on this item, giving details on the services that are provided to children. He stated there are many things that are done in the school system that go beyond academics.

Motion/Second: Segelhorst/Parham, to pass:

Resolution No. 2012-120, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH FRONTIER HEALTH FOR COUNSELING SERVICES FOR KINGSPORT ELEMENTARY SCHOOLS

Passed: All present voting "aye."

5. Consideration of a Resolution Authorizing the Mayor to Sign All Applicable Documents Necessary and Proper Regarding the Settlement Agreement Between the City of Kingsport and Ward's Feed Store (AF: 11-2012).

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Assistant to the City Manager Chris McCartt gave details on this item, noting an agreement was reached around Christmas. Mr. McCartt further discussed the arrangements and expenses for relocating the business and clarified for Mayor Phillips funding allocations. Vice-Mayor Parham pointed out the new building would be required to have an architectural review.

Motion/Second: Joh/Mallicote, to pass:

Resolution No. 2012-121, A RESOLUTION AUTHORIZING SETTLEMENT OF A CONDEMNATION CASE; AUTHORIZING THE CITY ATTORNEY TO ENTER AN ORDER REGARDING THE SAME; AUTHORIZING THE MAYOR TO EXECUTE THE SETTLEMENT AGREEMENT; AUTHORIZING THE MAYOR TO EXECUTE THE LEASE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE SETTLEMENT

Passed: All present voting "aye."

6. Consideration of a Resolution Approving Settlement of a Condemnation Action, Acquisition of Certain Real Property and Authorizing the Mayor to Execute All Documents to Effectuate the Acquisition (AF: 12-2012). City Attorney Billingsley presented details on the history of this property, noting the original need was for an easement before determining the need to own it in fee. The property owner had an appraisal showing the value to be \$9,000, while our appraisal showed the value to be \$5,000. An agreed upon price of \$7,500 was reached and payment would avoid litigation and other costs. Designated Alderman Joh stated she agrees.

Motion/Second: Joh/Segelhorst, to pass:

Resolution No. 2012-122, A RESOLUTION AUTHORIZING SETTLEMENT OF A CONDEMNATION CASE; AUTHORIZING THE CITY ATTORNEY TO ENTER AN ORDER REGARDING THE SAME; AUTHORIZING THE ACQUISITION OF CERTAIN REAL PROPERTY AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS TO EFFECTUATE THE ACQUISITION

Passed: All present voting "aye."

7. Consideration of a Resolution Awarding the Bid for the Gibson Mill Road Phase 4 Project to Thomas Construction Co., Inc. and Authorize the Mayor to Execute All Applicable Documents (AF: 5-2012). City Manager Campbell provided information on this item, stating this was a good price, even though we only received one bid. Mr. Campbell further stated it would be risky to bid it out again.

Motion/Second: McIntire/Joh, to pass:

Resolution No. 2012-123, A RESOLUTION AWARDED THE BID FOR THE GIBSON MILL ROAD PHASE FOUR PROJECT TO THOMAS CONSTRUCTION COMPANY, INC AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

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8. Consideration of a Resolution Approving a Change Order to the Contract with Thomas Construction Co., Inc. for the Rock Springs Road Project and Authorize the Mayor to Execute All Applicable Documents (AF: 6-2012).

Motion/Second: Parham/Shupe, to pass:

Resolution No. 2012-124, A RESOLUTION APPROVING A CHANGE ORDER TO THE CONTRACT WITH THOMAS CONSTRUCTION COMPANY, INC FOR THE ROCK SPRINGS ROAD PROJECT AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE CHANGE ORDER

Passed: All present voting "aye."

9. Consideration of a Resolution Authorizing the Mayor to Sign All Necessary Documents to Make Recommended Changes to Benefits on the City of Kingsport Self-Funded Health Insurance Plan Effective January 1, 2012 (AF: 17-2012).

Motion/Second: Segelhorst/Joh, to pass:

Resolution No. 2012-125, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE DOCUMENTS TO AMEND THE CITY OF KINGSPORT SELF-FUNDED HEALTH INSURANCE PLANS

Passed: All present voting "aye."

E. APPOINTMENTS/REAPPOINTMENTS.

1. Consideration of an Appointment to the Economic Development Board (AF: 15-2012).

Motion/Second: McIntire/Shupe, to approve the following:

APPOINTMENT OF MR. OLAN JONES TO SERVE A SIX-YEAR TERM ON THE **ECONOMIC DEVELOPMENT BOARD**, EFFECTIVE IMMEDIATELY AND EXPIRING DECEMBER 31, 2017

Passed: All present voting "aye."

VII. CONSENT AGENDA.

Consent Agenda items are considered under one motion.

Motion/Second: Parham/Shupe, to adopt:

1. Consideration of a Budget Ordinance to Transfer Funds from the Netherland Inn Road Project to the Rock Springs Road Project (AF: 338-2011).

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Adopt:

Ordinance No. 6163, AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND BUDGET BY TRANSFERRING FUNDS TO THE ROCK SPRINGS ROAD PROJECT FOR THE YEAR ENDING JUNE 30, 2012; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Joh, Mallicote, McIntire, Parham, Segelhorst, Shupe and Phillips voting "aye."

2. Consideration of an Ordinance Appropriating Funds to Purchase Two Vacant Commercial Lots Located at 225 East Main Street and to Replace the Funding for 1113 Konnarock Road (Pet Dairy Site) (AF: 346-2011).

Adopt:

Ordinance No. 6164, AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND BUDGET BY APPROPRIATING FUNDS FOR THE PURCHASE OF PROPERTY LOCATED AT 225 E. MAIN STREET FOR THE YEAR ENDING JUNE 30, 2012; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Joh, Mallicote, Parham, Segelhorst, Shupe and Phillips voting "aye" and McIntire voting "nay."

3. Consideration of Approval of Offers for Easements and Rights-of-Way for Phase II of the Cooks Valley Road Improvement Project (AF: 2-2012).

Approve:

APPROVAL OF OFFERS FOR EASEMENTS AND RIGHTS-OF-WAY FOR PHASE II OF THE COOKS VALLEY ROAD IMPROVEMENT PROJECT

Passed in a roll call vote: Joh, Mallicote, McIntire, Parham, Segelhorst, Shupe and Phillips voting "aye."

VIII. COMMUNICATIONS.

- A. CITY MANAGER.** Assistant City Manager for Development Jeff Fleming responded to a question about the reported average wage in Kingsport being low. He commented that progress should be measured in quarter centuries and not quarters, pointing out that other statistics for nineteen cities list Kingsport having the third highest annual wage. Mr. Fleming also mentioned that differing poverty rates and the cost of living should also be taken into account. He further noted that Kingsport has a very low unemployment rate. Mayor Phillips commented that numbers can say what you want them to.

City Manager Campbell thanked City Recorder Demming and Comptroller Lisa Winkle, as well as department heads and other city staff who assisted with the recent audit. He also commented on the recent visit by Tennessee Department of Transportation Commissioner John Shroer and thanked the Metropolitan Planning Organization for showing him our local projects.

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B. MAYOR AND BOARD MEMBERS. Alderman McIntire commented that he was looking forward to 2012.

Alderman Joh thanked KATS (Kingsport Area Transit Service) for giving the board members a cup and for celebrating their highest ridership. She pointed out that this service gives freedom to many people.

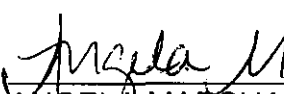
Alderman Segelhorst encouraged everyone to look at the new artwork on display downstairs.

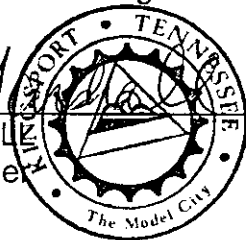
Vice-Mayor Parham noted the room was packed yesterday for the Work Session, further stating that there were a lot of people working to help the Board of Mayor and Alderman make the right decisions.

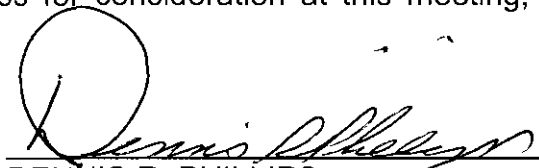
Mayor Phillips commented on attending the reception for the new President of East Tennessee State University, noting the need for cooperation from ETSU to improve Kingsport programs. He further stated the new President was receptive, energetic and willing to be of assistance in any way. The Mayor stated there would be a reception in the future for the community at the Higher Education Center, noting the potential for a lot of growth for a four year school.

C. VISITORS. Ms. Barbara Brown commented on an article in the paper about the Dobyns-Bennett band in the Macy's parade. She also commended Police Chief Gale Osborne and commented on synthetic drugs, marijuana and prescription medication.

IX. ADJOURN. Seeing no other business for consideration at this meeting, Mayor Phillips adjourned the meeting at 8:15 p.m.


ANGELA MARSHALL
Deputy City Recorder




DENNIS R. PHILLIPS
Mayor